



# Department of Justice

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**MORE BID RIGGING CHARGES FILED IN CONNECTION  
WITH A KANSAS CITY SHOPPING CENTER RENOVATION**

WASHINGTON, D.C. -- A Missouri company and its two top officers were charged today with conspiring to rig bids on construction work for a \$33 million Kansas City shopping center, according to the Department of Justice's Antitrust Division.

To date, the Division's ongoing investigation has resulted in charges against seven individuals and two companies.

The company and one of its officers also was charged with conspiring to commit mail fraud for requesting and receiving money from a contractor awarded a construction contract at the shopping center. That same officer was charged with mail fraud and making false declarations before a grand jury in Kansas City, Kansas.

A federal grand jury in Kansas City, Kansas, indicted Woodrow W. Bennett for conspiring with others from August 1989 until October 1991 to rig bids on demolition and concrete contracts on the Ward Parkway Shopping Center renovation project in Kansas City, Missouri. Woodrow W. Bennett is the owner and chairman of

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the board of directors of Bennett Construction Co. Inc., of Kansas City, Missouri.

In separate court papers, Bennett Construction and Ralph P. Larrison Jr., Bennett Construction's former president, were charged with participating in the same bid-rigging conspiracy.

Also, in separate court papers, Bernard Kroll of Tucson, Arizona, was charged with aiding and abetting the bid-rigging conspiracy.

The court papers stated that Bennett Construction, Woodrow Bennett, Ralph Larrison and co conspirators discussed demolition and concrete bids, limited the bidding to Bennett Construction and co-conspirators, allocated those contracts to Bennett Construction, prepared and submitted intentionally high, complementary bids for those contracts and recommended that Bennett Construction receive those contracts. The demolition contract was awarded to Bennett Construction for \$448,852 and Bennett Construction was initially awarded the concrete contract for \$1,077,990.

Bernard Kroll is charged with aiding and abetting the conspiracy by recommending Bennett Construction for those contracts and for payment on them despite his knowledge that the bids were rigged.

The Kansas City grand jury also charged Woodrow Bennett with conspiring to commit mail fraud and mail fraud for requesting and receiving a \$75,000 kickback in exchange for recommending Bennett

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Construction for a contract at Ward Parkway.

In separate court papers, Bennett Construction also was charged with conspiring to commit mail fraud in connection with the same scheme.

The grand jury further charged that Woodrow Bennett made false declarations before another Kansas City grand jury on October 27, 1993, for his involvement in the bid rigging and mail fraud conspiracies at Ward Parkway.

Ward Parkway, owned primarily by the Kansas Public Employees Retirement System since 1987, was managed by J.W. O'Connor & Co Inc., a New York real estate investment and management company. In 1989, O'Connor contracted with a joint venture formed by Bennett Construction and BK General Contractors Inc. of Atlanta, Georgia, to seek bids on a number of construction contracts, including contracts involving demolition and concrete work at Ward Parkway. The joint venture also recommended that certain contractors receive those contracts.

Assistant Attorney General Anne K. Bingaman of the Antitrust Division said the charges arose from a federal grand jury investigation in Kansas City, Kansas. Thus far, five defendants have pleaded guilty to the charges, which have included violations of the Sherman Act for rigging bids on the demolition and concrete contracts at Ward Parkway and for obstructing the grand jury's investigation.

The investigation is being conducted by the Antitrust

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Division's Chicago Field Office and the Federal Bureau of Investigation in Kansas City, Missouri, with assistance from the U.S. Attorney's office in Kansas and the Kansas Bureau of Investigation in Topeka, Kansas.

The Division's Chicago Field Office and the New York District Attorney's office cooperated in reaching an agreement with Bernard Kroll to plead guilty to commercial bribery in violation of New York state law. The court papers filed by the New York District Attorney's office state that Kroll paid a bribe to a co-conspirator in order to receive construction contracts throughout the United States from Saks & Company of New York, New York.

Ralph Larrison has been cooperating in the Department's ongoing investigation into criminal activity on the Ward Parkway Shopping Center renovation project and in the construction industry in Kansas and Missouri. Bennett Construction and Kroll have agreed to cooperate in the investigation. Kroll also has agreed to cooperate in the Department's and the New York District Attorney's ongoing investigation into criminal activity in connection with the awarding of construction contracts by Saks & Company.

The maximum penalty for an individual convicted under the Sherman Act is three years incarceration and a fine that is the greatest of \$350,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss caused to the

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victims of the crime.

The maximum penalty for an individual convicted of conspiring to commit mail fraud and mail fraud is five years incarceration and a fine that is the greatest of \$250,000, twice the gross gain the individual derived from the crime or twice the gross loss caused to the victims of the crime.

The maximum penalty for an individual convicted of making false declarations before a grand jury is five years incarceration and a fine of \$250,000.

The maximum penalty under New York law for an individual convicted of commercial bribing in the first degree is four years incarceration and a fine of \$5,000.

The maximum penalty for a corporation convicted under the Sherman Act is a fine that is the largest of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime. The maximum penalty for a corporation convicted of conspiring to commit mail fraud is a fine that is the greatest of \$500,000, twice the gross gain the corporation derived from the crime, or twice the gross loss caused to the victims of the crime.

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